

MINUTES OF MEETING BOARD OF PUBLIC WORKS, May 1, 1941

The meeting of the Board of Public Works was held May 1, 1941, in the office of the Treasurer of Maryland, State Office Building, Annapolis, Maryland.

There were present: Herbert R. O'Connor, Governor
J. Millard Tawes, Comptroller
Hooper S. Miles, Treasurer.

Mr. Walter N. Kirkman, Director of the Department of Budget and Procurement, was also present.

STOCK CERTIFICATES:

The Board proceeded to open bids which had been received from various investment houses, and others, in pursuance of invitations issued by the Board of Public Works for bids for the purchase of 21,382 shares of common stock of the Union Trust Company of Maryland of par value of \$10.00 each, which the State was desirous of selling in the event the prices offered were satisfactory.

The bids were received as follow:

FRANK B. CAHN & CO.
Equitable Building
Baltimore

May 1, 1941

Mr. Hooper S. Miles
Treasurer of Maryland
Annapolis, Maryland

Dear Sir:

In conformity with your letter dated April 21, 1941, in which you request a submission of bids for the purchase of all or any part of 21,382 shares of the common stock of the Union Trust Company of Maryland, such request being authorized pursuant to authority vested in the Board of Public Works by the General Assembly of Maryland, the undersigned herewith submit a bid for all or any part of the total of 21,382 shares at \$8.641 per share ~~or an aggregate of \$184,761.87.~~

Enclosed herewith is a certified check for 10% of the aggregate of said bid, or \$18,476.19.

Very truly yours,

FRANK B. CAHN & CO.

THEODORE GOULD
Keyser Building
Baltimore, Md.

May 1, 1941

Mr. Hooper S. Miles, Esq.
Treasurer of Maryland
Annapolis, Maryland

Dear Sir:

In response to the request of the Board of Public Works, State of Maryland, dated April 21, 1941, for bids on Union Trust Company of Maryland, Common stock owned by the State, I hereby make the following bid:

I will pay \$9.25 per share for FIVE THOUSAND (5,000) shares of the Union Trust Company of Maryland, Common stock, (\$46,250).

Certified check as required is enclosed. Balance of the purchase price will be paid on delivery in negotiable form in Baltimore on or before 1:00 p.m., May 5, 1941.

Yours very truly,

THEODORE GOULD

MONUMENTAL LIFE INSURANCE CO.
Chase & Charles Sts.
Baltimore, Md.

April 30th, 1941

Hon. Hooper S. Miles
Treasurer - State of Maryland
Annapolis, Maryland

Dear Mr. Miles:

The Monumental Life Insurance Company has received from Mr. McCusker, Secretary of the Board of Public Works, an invitation to bid on 21,382 shares of the Union Trust Company of Maryland stock, of the par value of \$10.00 per share. We wish to submit a bid as follows:

WE BID ON 21,382 SHARES at 8-7/16
PER SHARE

We will not be interested in a participation.

You will find enclosed checks aggregating \$18,500. which will be sufficient to cover requirements of the advertisement.

Yours very truly,

Paul M. Burnett, Chairman
Board of Directors.

STEIN BROS. & BOYCE
6 S. Calvert St.
Baltimore, Md.

May 1, 1941

Honorable Hooper S. Miles
Treasurer of Maryland
Annapolis, Maryland

Dear Sir:

Referring to letter dated April 21, 1941, signed "Board of Public Works, by J. O. McCusker, Secretary", we hereby bid you price of \$9.273 per share for all or none of the 21,382 shares of the common stock of the Union Trust Company of Maryland.

If the State decides to sell a part of the stock to other parties, we will pay you a price of \$8.26 per share for the remaining unsold shares.

As required, we enclose herewith our certified check in the sum of \$25,000., which is not less than 10% of our bid.

Yours very truly,

STEIN BROS. & BOYCE
MacKubin, Legg & Co. Alex. Brown & Sons
Baker, Watts & Company

5-1-41

WALTER M. WEILEPP
 Keyser Building
 Baltimore, Maryland

May 1, 1941

Hooper S. Miles, Esq.
 Treasurer of Maryland
 Annapolis, Md.

Bid for Union Trust Stock

Dear Sir:

We hereby bid at the rate of \$8.125 per share for

500 shs. UNION TRUST COMPANY OF MD.
 Capital Stock, Par Value \$10.,

as per letter of April 21, 1941, from the Board of
 Public Works, Annapolis, Md.

Enclosed herewith is our certified check in the a-
 mount of \$406.25, being 10% of the amount of our bid.

Very truly yours,

WALTER M. WEILEPP

After careful consideration of the several bids, the Board decided to accept the bid of Stein Bros. & Boyce, and Associates, of \$9.273 for all or none of the shares of stock, and authorized the State Treasurer to arrange for delivery of the stock to the purchasers, and receive from them payment in accordance with their proposal.

BOARD OF PUBLIC WORKS:

The Secretary called attention to the fact that two items in the budget of the Board of Public Works for the fiscal year 1941 are overdrawn and that in total the budget is adequate to take care of the requirements of the Board for the current fiscal year.

It was suggested that any amendment which might be necessary to adjust various items in the budget of the Board be deferred until the latter part of the fiscal year when it will be possible to know just how the accounts stand and an amendment can be made at that time without the possible necessity of several amendments being made between now and the end of the fiscal year to cover any over-expenditures in some of the items which might occur.

The Board approved this suggestion.

BONDS: - Fidelity Bonds

The Secretary brought to the attention of the Board a communication from Mr. E. Sheldon Jones, Trial Magistrate for Wicomico County and Judge of the Peoples' Court, requesting that he be advised as to the wishes of the Board of Public Works in connection with the bond the law requires Trial Magistrates to file, covering their obligations to the State. The matter had been referred to the Board because the Attorney General had advised Mr. Jones that the law directs the Board of Public Works to prescribe the rules and regulations in connection with bonds to be issued covering the obligations of State officials and employees in cases where the law does not specifically cover these items.

The Board considered the matter very carefully and decided that, in the interest of the State and those who are protected by bonds, the bonds of ^{trial} Magistrates should be written for a term of one year and that ~~any~~ bond should be written each year, instead of for the term of office for which Trial Magistrates are appointed.

BUDGET: 1942 and 1943.

Mr. Kirkman submitted to the Board his recommendation for reductions in the budgets of the various State Agencies for 1942 and 1943, to give effect to the mandate attached to the Budget Bill passed by the General Assembly of 1941 for the two fiscal years 1942 and 1943, reading as follows:

"The Board of Public Works is hereby authorized and directed to reduce item or items in this budget, according to law, in a total amount of not less than \$100,000.00 for each of the fiscal years 1942 and 1943."

The statement submitted by Mr. Kirkman showed appropriations to the various state agencies receiving General Funds covering totals of \$22,871,347.23 and \$23,385,053.00 for the fiscal years 1942 and 1943, respectively. The statement included appropriations which, in various instances, it was felt could not be reduced because of the amounts being necessary to take care of specific obligations of the State and any reduction in which would leave the State Treasury without adequate funds to take care of its obligations. These items which could not be reduced amount to \$12,689,353.23 and \$13,103,434.00 for the fiscal years 1942 and 1943, respectively. Hence, the appropriations less these eliminations leave totals for the various State Agencies of \$10,181,994.00 and \$10,281,619.00 for the fiscal years 1942 and 1943, respectively, where it might be possible to make reductions to effect the elimination of \$100,000.00 in each of the two fiscal years.

It was noted that a straight reduction of 1% to all of the appropriations, after the eliminations were taken into consideration, would result in a total reduction of \$101,819.00 and \$102,815.00 for the fiscal years 1942 and 1943, respectively.

It was felt that since this would be the most equitable manner of effecting the reduction of \$100,000.00, as required by the Budget Law, the Board should approve the recommendation of Mr. Kirkman, and did authorize the Department of Budget & Procurement and the State Treasury Department to make the reductions set forth in the statement.

It was explained that in approving this recommendation, it would not be necessary that the budgets of the various state agencies be amended to distribute the amount represented by the 1% reduction, but that the reduction could be taken from the total at the beginning of the fiscal years with the understanding that the savings would be effected by the departments during each fiscal year and that in closing the books at the end of the year, the 1% reduction will have been absorbed in the unexpended balances remaining in the budget items where the entire amounts allotted for those items was unexpended.

COMPTROLLER OF THE TREASURY: - Refunds.

At the request of the Comptroller, the Board authorized the following refunds made from Miscellaneous Appropriations #2, covering taxes paid in error to the State.

Admissions Tax Division -		\$ 29.34
Frank H. Durkee Enterprises	\$17.97	
Opera House Bowling Alleys	6.62	
Baltimore Amity Club	<u>4.75</u>	
Alcoholic Beverages Tax Division -		584.58
Post Exchange, Ordnance Training Center, Aberdeen Prov. Grds.	\$36.68	
Post Exchange, Arlington Cantonment, Va.	23.62	
" "	5.06	
N.C.O. Club, Edgewood Arsenal, Md.	32.89	
" "	40.37	
Post Exchange, Edgewood Arsenal	108.94	
Post Exchange, Holabird Quartermaster Depot, Baltimore, Md.	40.80	
Post Exchange, Fort G.G.Meade, Md.	259.94	

Post Exchange, Marine Barracks, Naval Powder Factory, Indian Head, Md.	\$1.62
Ship's Service Store, U.S. Coast Guard Depot, Curtis Bay, Md.	<u>34.66</u>

Corporation Taxes - \$975.40

Polish American Publishing Co., Inc.	\$23.73
Y.M.C.A. of Coatsville, Pa.	.82
Imperial Ice Cream Co.	24.57
Automobile Banking Corp.	544.15
Pacific Mutual Door Co.	23.21
The New Citizen, Inc.	60.00
Camden Warehouses	287.24
Marriott Properties, Inc.	<u>11.68</u>

Title Tax - 114.40

Edward G. Buffett	2.80
Central Garage	7.00
Dr. James Trapier Lowe	2.60
Automobile Clearance Co.	7.70
Bethesda Motor Sales	17.98
Leach & Damesyn, Inc.	17.54
Baltimore Motors Corp.	19.00
Govans Motor Co.	17.64
Wm. M. Schwarz	14.60
Michael A. Gillotti	2.30
Charles Balaker	<u>5.24</u>

\$1,703.72

At the request of the State Insurance Department, the Board authorized the Comptroller to make refund of overpayment of taxes on premium income in Maryland for 1940, to -

Manufacturers' Casualty Insurance Company of Philadelphia, Pa.	\$38.51
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COURT OF APPEALS:

The Secretary called attention to the fact that the General Bond Issue of 1941 includes an allowance of \$75,000.00 for improvements to the Court of Appeals Building, and other public buildings in Annapolis. Attention was also called to the fact that there is an unexpended balance in the State Office Building account of \$26,000.00, which, under the Act of 1939, it is permissible to use for work on the Court of Appeals Building.

It was the feeling of the Board that the improvements should be made in the Court of Appeals Building and that the Judges had been very patient in allowing the work to be deferred because of lack of funds. Governor O'Connor stated that he would be seeing Judge Carroll T. Bond, Chief Judge of the Court of Appeals, in the next day or two about another matter, and that he would, at the same time, take up with him the question of alterations and improvements to be made in the Court of Appeals Building, to carry out the wishes of the Court for better facilities for the members of the Court, and for more library space.

DEPARTMENT OF BUDGET AND PROCUREMENT: Annotated Code - 1939 Edition

Mr. Kirkman stated that he was not ready, at this time, to submit a list of the departments to which copies of the new 1939 edition of the Annotated Code should be distributed, and was therefore unable to make any recommendations for the distribution of the 200 sets of the Code for which the State appropriated \$8,000.00 in the 1942 Budget. The Governor stated that he had received several requests for copies of the Code and wanted to discuss them with Mr. Kirkman before anything definite was done about the distribution.

GENERAL BOND ISSUE OF 1941:

The Secretary brought to the attention of the Board bids received from:

Security Banknote Company, of Philadelphia, Pennsylvania
E. A. Wright Bank Note Company, of Philadelphia, Pennsylvania,

quoting prices on the engraving of the bonds of the General Bond Issue of 1941, as follow:

Security Banknote Company	45¢ each, per bond
E.A. Wright Bank Note Company	47 $\frac{1}{2}$ ¢ each, per bond.

The Secretary stated that both companies had done work for the State in the past and that all of the work had been satisfactory.

Undercircumstances, the thing to do was to accept the bid of Security Banknote Company because of the lower price quoted, and the Secretary was authorized to proceed with having the bonds engraved by that company.

UNEMPLOYMENT COMPENSATION BOARD: Towson

Upon the recommendation of Mr. Kirkman, the Board approved a renewal of the lease for office space for the Unemployment Compensation Board, Branch office at Towson, Maryland, at 26 W. Pennsylvania Avenue, for a term of one year from May 1st, at an annual rental of \$1,740.00, or \$145.00 monthly.

MARYLAND TUBERCULOSIS SANATORIUM:

The Secretary brought to the attention of the Board a communication from Dr. Victor F. Cullen, Superintendent of Maryland Tuberculosis Sanatorium, calling attention to the situation existing at the State Sanatorium from the standpoint of fire hazard, and outlining a plan for proceeding with the construction work at the institution as authorized by the General Assembly of 1941 in an appropriation of \$104,000.00, as included in the General Bond Issue of 1941. Dr. Cullen stated that he had been in touch with the Department of Correction and arrangements could be made for the use of prison labor which had been working on construction of the new Penal Farm, and that since the Sanatorium is only eighteen (18) miles distant from the Penal Farm, the workmen (about 50 in number) could be transported back and forth each day from the Farm to the Sanatorium, and there would be no problem of housing labor which would come from other sections if the work were to be done by others than the inmates of the Penal Farm. Dr. Cullen stated that the materials necessary in the construction work could be purchased through the Department of Budget & Procurement.

The members of the Board though this an excellent idea but some question was raised as to whether it would be permissible, under law, to use prison labor on this work. The Secretary was instructed to communicate with the Attorney General and obtain advice from him if there are any provisions in law which would prevent the use of prison labor in this case. If there are no restrictions against the use of this labor, the Board would approve the program as outlined by Dr. Cullen in his letter of April 29, 1941.

MILITARY DEPARTMENT:

The Secretary brought to the attention of the Board, communications from Mr. Henry Powell Hopkins, architect, requesting approval for the expenditure of \$300.00 for the installation of a shower in the Annapolis Armory, which was in addition to the contract for the erection of the Armory. In his letter, Mr. Hopkins explained the desirability of the additional work which was requested by General Reckord.

The Board approved the expenditure of this additional money, as requested.

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The Secretary brought to the attention of the Board, a second letter from Mr. Hopkins, architect, requesting authority for the expenditure of \$42.50 for the replacement of a motor on one of the exhaust fans in the Annapolis Armory. Mr. Hopkins reported that this motor was found to be missing during the inspection of the Armory on April 2, 1941 by the architect and General Reckord. Since it was no fault of the contractor that this motor was lost, it was felt that the contractor should be reimbursed to the extent of \$42.50 for the expense of replacing the motor.

The Board approved the request for this additional expenditure.

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The Governor submitted to the Board a communication addressed to him by Lt. Col. A. V. Winton, Office of the Chief of the National Guard Bureau, Washington, D.C., advising that it was found that Camp Albert C. Ritchie, Cascade, Maryland, is titled in the name of Milton A. Reckord. In his letter, Col. Winton advised that one of the approved recommendations of the investigating board in their report of January 20, 1941, is: -

"That no further allocation of Federal funds for projects covering installations or improvements at Camp Albert C. Ritchie, Cascade, Maryland, be made until full title to the Reservation shall have been transferred from the name of Milton A. Reckord to the State of Maryland".

The Secretary was instructed to see that the matter complained about was duly corrected and that title to all property owned by the State of Maryland at Camp Ritchie be in the name of the State.

MONTROSE SCHOOL FOR GIRLS:

The Secretary brought to the attention of the Board a communication dated April 16, 1941 from Montrose School for Girls, in which it was stated that the need for the appropriation of \$15,000.00 for equipment for the new Vocational Building was urgent since the building was finished last December and has been closed ever since awaiting equipment. Money for the purchase of this equipment is available in the General Bond Issue of 1941.

The Board authorized the institution to proceed with the purchase of this equipment, the requisitions for which are to be placed with the Department of Budget & Procurement, in accordance with the rules of that Department.

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The Secretary brought to the attention of the Board a letter from Montrose School for Girls relative to the purchase of laundry equipment.

The Board authorized the purchase of any equipment for which funds are available, with the understanding that the orders therefor are to be placed through the Department of Budget & Procurement in the usual manner.

MORGAN STATE COLLEGE:

Mr. Kirkman reported, that, in accordance with instructions received at the previous meeting of the Board, he had made an investigation of the report made by Morgan State College heretofore that the old farmer's cottage on the premises of the College is in very bad condition and should be razed because of the hazard it presents at this time. Mr. Kirkman reported that the building is in the condition described by the school and that he was in agreement with their views that it would be useless to repair or renovate this cottage, believing that the thing to do would be to raze it.

The Board approved Mr. Kirkman's recommendation.

ROSEWOOD STATE TRAINING SCHOOL:

The Secretary brought to the attention of the Board a letter from Rosewood State Training School in which it was requested that authority be given for the expenditure of an additional \$1,799.00, to be added to the present contract of Charles T. King, Inc. for work to be done in connection with alterations and additions to the Power House. This additional amount is to cover additional work which was considered at the time the original contract was awarded and which it was decided, at that time, should be deferred because of some possible lack of funds.

However, since the institution does have funds available for the payment of the cost of the additional work, the Board authorized that an order be given to the contractor for same.

SPRINGFIELD STATE HOSPITAL:

The Secretary brought to the attention of the Board a communication, dated April 9, 1941, from Springfield State Hospital, calling attention to the crowded condition at that institution and requesting that permission be given for the use of the operating surplus returned to the State Treasury at the close of the fiscal year 1940, amounting to over \$9,000.00.

The Board was unable to approve the request since the operating surplus mentioned was reverted to the State Treasury in closing the books for the fiscal year ended September 30, 1940 because of no obligations being outstanding against the unexpended balances at September 30, 1940.

SPRING GROVE STATE HOSPITAL:

The Secretary brought to the attention of the Board a communication, dated April 12, 1941 from Spring Grove State Hospital, in which it was requested that the Board of Managers of the institution be authorized to employ Mr. Henry Powell Hopkins as architect for the new construction provided in the 1942 and 1943 budgets.

The Board was agreeable to this request, but with the understanding that no work be proceeded with until the Board had definitely authorized the going ahead with the various projects contemplated in an appropriation to the institution in the General Bond Issue of 1941.

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The Secretary brought to the attention of the Board a communication from Spring Grove State Hospital, dated April 22, 1941, in which it was stated that Dr. Silas W. Weltmer, Superintendent of the hospital, desired to appear before the Board and discuss the needs of the institution. The letter stated that there had been secured, without obligation to the hospital or the Superintendent, tentative estimates from architects, engineers, and contractors, which would enable Dr. Weltmer to present a concrete program to the Board.

Mr. Kirkman was requested to get in touch with Dr. Weltmer and obtain from him the data mentioned in the letter of April 22nd, and to consider it and report the situation to the Board at the next meeting.

STATE INDUSTRIAL ACCIDENT COMMISSION: State Accident Fund

Mr. Miles, State Treasurer, reported that he had purchased for the account of the State Accident Fund, Investment Account, \$75,000 U. S. Treasury 2½% bonds at a price of 103 2/32, plus interest of \$86.62, or a total of \$77,383.50. Mr. Miles had been authorized at a previous meeting to secure suitable investment for this Fund.

The Board approved the report made by Mr. Miles as to the purchase of the above mentioned bonds.

STATE DEPARTMENT OF EDUCATION:Salisbury

The Secretary brought to the attention of the Board a communication from Dr. J. D. Blackwell, President of Salisbury State Teachers College, dated April 23, 1941, expressing disappointment at learning that the \$5,000.00 appropriated to that institution in the General Bond Issue of 1941 was amended so that \$3,000.00 of this amount would have to be used for sewerage work which is being done at the institution at this time. In his letter, Dr. Blackwell stated that this would no doubt mean that the College would not be accredited by February 1942, since the entire \$5,000.00 was needed for library equipment to meet the requirements for being accredited.

The law was very specific as to requiring \$3,000.00 for sewerage work and there was nothing which could be done about the matter, at this time.

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Towson

Mr. Kirkman submitted to the Board a letter addressed to him, dated March 11, 1941, by the State Department of Education, relative to the transfer of some property of the State Teachers College at Towson, Maryland, as covered by Chapter 319 of the Acts of 1941.

The Board authorized the preparation of the necessary deed to effect the transfer of the property as authorized by law.

STATE DEPARTMENT OF PUBLIC WELFARE:

Two representatives of the Federal Government interested in the distribution of surplus commodities appeared before the Board and explained a plan evolved for the extension of the use of the Food Stamp Plan in the State of Maryland. They explained that it would require a revolving fund of about \$125,000.00 to make the plan available in the entire State and that the use of the Stamp Plan would eliminate a good deal of expense which is being incurred at the present time in operating warehouses for the distribution of surplus commodities. It was stated that the use of the Stamp Plan in lieu of the warehouses would not cost any more, if as much as the present plan, and it was felt that the Stamp Plan would be more desirable. It was stated that several of the counties of the State, ^{not} using the Stamp Plan at this time, had expressed a desire to change to that Plan.

The Board requested Mr. Kirkman to contact Mr. J. Milton Patterson, Director of the State Department of Public Welfare, and discuss the matter with him and report back to the Board his views with reference to the extension of the Stamp Plan in Maryland.

STATE PROPERTY: - Old Records

The Secretary brought to the attention of the Board a communication from the Maryland Geological Survey, asking that they be advised relative to old and obsolete records which it is felt it is not necessary to retain any longer.

The Governor stated that he had signed House Bill 862 under which authority is given for the disposition of old records and that the State Geologist could proceed with the destruction of records in accordance with the law.

STATE TREASURER:

Mr. Miles reported that because of unexpected demands upon the appropriation for insurance premiums, due to coverage of new bridges, was rather low and that the fund would be exhausted in about ten days, with nothing left to pay premiums coming due between now and the end of the current fiscal year. Mr. Miles suggested that the Treasurer's Insurance Fund be reimbursed to the extent of the premiums paid on coverage on State Roads bridges by transferring an equivalent amount from the operating expense of the State Roads

Commission, since the budget of that Commission would be liable for the insurance premiums if the handling of the insurance had not been transferred to the State Treasurer.

The Board approved the suggestion that the transfer be made.

STOCK CERTIFICATES:

See: First item of these minutes - Union Trust Co. sale.

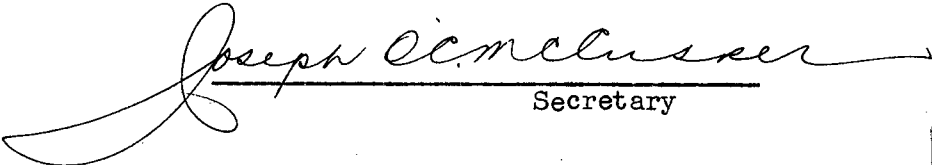
UNEMPLOYMENT COMPENSATION BOARD:

See: Leases, these minutes.

UNIVERSITY OF MARYLAND:

The Secretary brought to the attention of the Board, a communication from Dr. H. C. Byrd, President of the University of Maryland, dated April 23, 1941, explaining the practice in effect in the case of delinquent accounts. Dr. Byrd explained that they do not actually write off any account as uncollectible; what they do is to transfer the delinquent accounts from the active records to a suspension account and that in every case where it is possible to effect collection of the items due, after the transfer, this is done and collection is often effected.

There being no further business, the meeting was adjourned.


Secretary